Electronically Recorded

Tarrant County Texas

Official Public Records

3/30/2011 10:20 AM

D211073377

Mary Louise Garcia PGS 2

\$20.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 68 (4-89) — Pald-Up With 640 Acres Pooling Provision

PNum:26753.RDB

PAID-UP OIL & GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT IS made this 23rd_day of March, 2011, by and between Arturo Rodarte-Martinez and Licens Rivera-Castillo, whose address is 3708 Baylor Street, Fort Worth, Texas 7619-3514, as Lessor, and Chesapeske Exploration, L.L.C., an Oklahoma limited liability company,P.O. Box 18496, Oklahoma City, OK 73154-0496, as Lessee. All printed portions of this lesse were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

In consideration of a cash bones in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called lessed premises:

A-715, C. T. Hilliard Survey: Hinton Subdivision
0.249 acres, more or less, situated in the C. T. Hilliard Survey, Abstract No. 715, Terrant County, Texas, known as Lot O, Block 1, of a revision of Lots 7, 8, 9, 10, 11
and 12, Block 1, Hinton Subdivision of the South portion of Block 23, Masonic Home, First Filling, an addition to the City of Fort Worth, Tarrant County, Texas,
according to the map recorded in Volume 388-J, Page 55, Map Records of Tarrant County, Texas as described in that certain Warranty Deed with Vendor's Lien
dated July 30, 2010, from BRENDA NAVARRO to ARTURO RODARTE-MARTINEZ and LLOGNA RIVERA-CASTILLO, recorded in Instrument No. D210187351, Official Public Records, Tarrant County, Texas.

in the County of <u>TARRANT</u>, State of TEXAS, containing <u>0.2490</u> gross acres, more or less (Including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of expioring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/selsmic operations). The term "gas" as used herein includes halfum, carbon dioxide and other commercial gases, as well as hydrocarbon gases, in addition to the above-described lessed premises, this lesses also covers accretions and any small strips or parcels of land now or hereafter over one by Lessor which are contiguous or adjacent to the above-described lessed premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessoe's request any additional or supplemental instruments for a more complete or accurate description of the iand so covered. For the purpose of determining the amount of any shut-in royalities harrander, the number of gross scress above specified shall be deemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.
- thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises on from lands pooled therewith or this lease is otherwise maintained in affect pursuant to the provisions hereof.

 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Léssor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the mystly shall be Twenty Two Percent (22%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's ordel at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead or to Lessee's separator facilities, provided that Lessee shall have the continuing right to purchase such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royally shall be Twenty Two Percent (22%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of advalorms taxes and production, severance, or other excise lesses and prevailing price). Proceeds realized by Lessee from the sale thereof, less a proportionate part of advalorms taxes and production, severance, or other excise lesses and provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead markst price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to companible purchase contracts entered into on the same or nearest preceding date as the date on which Lessee ommences its purchases hereunder, and (c) if at the end of the primary term or any time thereafter one or more wells on the lessee preceding date as the date on which Lessee.

 If for a period of 90 consecutive days such well or wells shall nevertheless b

- address known to Lesses shall constitute proper payment. If the depository should liquidate or be successful by another institution, or for any reason fall or refuse to accept payment hereunder, Lessor shall, at Lesses's request, delver to Lesses a proper recordable instrument name interfunding as depository agents to receive payments.

 5. Except as provided for in Paragraph 3 above, if Lasses didls a well which is incapable of producing in paying quantities (hersinafter called "dry hole") on the lesses premises or lands pooled therewill, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries unmain in force if Lesses commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the lesses main in force or in the primary term, or at any time thereafter, this lesse is not otherwise being maintained in force is that primary term, or at any time thereafter, this lesse is not otherwise being maintained in force as long as any one or more of such operations are consecuted with not excess that it main in force so long as any one or more of such operations are somethy and cause the primary term, or at any time thereafter, this lesses shall remain in force so long as any one or more of such operations are understood to a production in force so long as any one or more of such operations are somethy and any other primary term, or at any time thereafter as their is production in paying quantities from the lesses of premises or lands pooled therewith. After completion of a well causable of production in paying quantities are time the lesses of premises or lands pooled therewith. After completion of a well causable of production, the sesses shall find such additional wells on the lesses of premises or lands are production in the paying quantities on the lesses of premises or lands or production and the production and the production and the production and the production
- date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

 7. If Lessor owns less than the full mineral estate in all or any part of the lessed premises, the royalities and shuf-in royalities payable hereunder for any well on any part of the lessed premises or fands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the lessed premises beers to the full mineral estate in such part of the lessed premises.

 8. The interest of either Lessor or Lesses hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the perfies hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee until 60 days after Lessee may pay or tender such shuf-in royalities form of division order. In the event of the death of any person entitled to shuf-in royalities hereunder, Lessee may pay or tender such shuf-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee may pay or tender such shuf-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of ell obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the

- Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately
- reduced in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lesser's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial released or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material.
- production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lesse shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.
- 12. In the event that Lessor, during the primary term of this lease, receives a bone fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to
- purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessoe hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee falls to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessee hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royaltles or shut-in royaltles otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Libbas been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- 17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of TWO (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this
 - 16. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.
- DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Leasor understands that these lease payments and terms are final and that Leasor entered into this lease without duress or undue influence. Leasor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lesse that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lesse will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the

	the there or not this lease has been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)	
Arturo Rodarte-Martinaz	Lloena Rivera Castillo
ACKN	OWLEDGEMENT
STATE OF TEXAS	
COUNTY OF TARRANT	
This instrument was acknowledged before me on the 33	_day of
Arturo Rodarte-Martinez	Λ. α.
ANA GRACIA Notary Public, State of Texas My Commission Expites June 03, 2012	Notary Public, State of Texas Ma Jaula Notary's name (printed): Notary's commission expires: Ma Jaula A Jaula
STATE OF TEXAS	V
COUNTY OF TARRANT	
This instrument was acknowledged before me on the	day of $\frac{\mathcal{M}}{\mathcal{M}}$ \mathcal{M} \mathcal{M} , \mathcal{M} , \mathcal{M} , by
Lloena Rivera-Castillo	
ANA GRACIA Notary Public, State of Texas My Commission Expires June 03, 2012	Notary Public, State of Texas Notary's name (printed): Notary's commission expires: Aug Cyllia 3 2017